

**BASS, BERRY & SIMS PLC**

A PROFESSIONAL LIMITED LIABILITY COMPANY  
ATTORNEYS AT LAW

T. G. PAPPAS  
TEL: (615) 742-6242  
FAX: (615) 742-6293

2700 FIRST AMERICAN CENTER  
NASHVILLE, TENNESSEE 37238-2700  
(615) 742-6200

REC'D TN  
REGULATORY AUTHORITY  
KNOXVILLE OFFICE:  
INTERVIEW TOWER  
KNOXVILLE, TN 37901-1509  
(423) 521-6200  
'99 APR 22 PM 2 22

April 22, 1999

OFFICE OF THE  
EXECUTIVE SECRETARY

Mr. K. David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

**IN RE: Highland Telephone Cooperative, Inc.**  
**IntraLATA Dialing Parity Implementation Plan**

Dear Mr. Waddell:

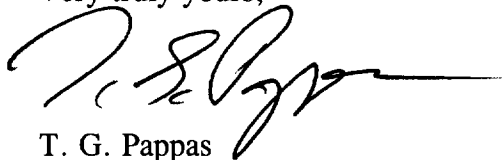
99-00290

I am enclosing an original and thirteen (13) copies of the IntraLATA Toll Dialing Parity Implementation Plan of our client Highland Telephone Cooperative, Inc. This Plan is being filed as directed by the Federal Communication Commission's Order of March 23, 1999, in Docket No. 96-98. We are filing the Plans for approval by the Tennessee Regulatory Authority ("TRA"). Also enclosed is our check in the amount of \$25.00 made payable to the Tennessee Regulatory Authority for filing fee.

The Company notes that issues related to the level of recovery by the Company from the current provisions of IntraLATA access may arise. If such issues do arise, an undue economic burden may be imposed upon the Company, thereby affecting the Plan's implementation date. If necessary, the Company will report to the Tennessee Regulatory Authority regarding this issue.

With kindest regards, I remain

Very truly yours,



T. G. Pappas

TGP/br#2016988

Enclosures

cc: Mr. Joe Werner  
Richard Collier, Esq.

Mr. K. David Waddell

April 22, 1999

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Mr. James Hamby

Thomas J. Moorman, Esq.

Kraskin, Lesse & Cosson, LLP

Mr. Gary Andraza

Mr. Guy M. Hicks

Mr. Joe C. Roper

Mr. M. Michael Swatts

Mr. Scott Nichols

Mr. Michale McCaw

Ms. Kathy Pounds

Mr. Tony Key

HIGHLAND TELEPHONE COOP., INC.

IntraLATA Toll Dialing Parity Implementation Plan

Implementation Date:

Thirty Days Following Approval  
by the Tennessee Regulatory Authority

HIGHLAND TELEPHONE COOP., INC.

Sunbright, Tennessee

April 21, 1999

## **I. Purpose**

Highland Telephone Cooperative, Inc. ("Highland Telephone") describes herein the process for implementing intraLATA toll dialing parity in the Highland Telephone exchanges located in the state of Tennessee. The intent of this Plan is to provide a proposal that, upon implementation, would provide customers the ability to select the participating telecommunications carrier of their choice for routing their intraLATA toll calls. Highland Telephone will associate with the LATA 474 for the purposes of providing toll dialing parity as it currently does for its provision of interLATA equal access.

## **II. IntraLATA Environment**

Highland Telephone customers located in Tennessee can currently dial an access code to complete intraLATA toll calls to another carrier. After implementation of this IntraLATA Toll Dialing Parity Implementation Plan (the "Plan"), customers will be able to subscribe to the carrier of their choice for intraLATA as well as interlata service (two-PIC subscription capability). Customers will dial 1+ the area code and number to complete calls using their presubscribed carrier. If customers wish to complete a call using a carrier other than their subscribed carrier, they will need to dial the carrier's access code (i.e., 101XXXX).

Each end office switch will be equipped with the capability of allowing each end user subscriber to select "no-PIC" as a valid intralata subscription selection. Customers selecting "no-PIC" as their subscribed carrier will not be able to make intraLATA tolls on a 1+ or 0+ dialed basis. Such customers will need to dial an access code each time he or she makes an intraLATA call.

In 1992, toll-free intraLATA county-wide calling was initiated for all Local Exchange Carrier's via an order from the Tennessee Public Service Commission. BellSouth Telecommunications, Inc. ("BellSouth") currently maintains tax-code billing tables to identify "free-county-wide" intraLATA toll calls originated by Highland Telephone intraLATA toll customers and to ensure that billing does not occur on these calls. Highland Telephone will continue to process toll-free intraLATA county-wide calls in this matter for toll customers after implementation of intraLATA toll dialing as long as technically feasible.

## **III. Implementation Schedule**

Highland Telephone will provide intraLATA toll dialing parity in Tennessee within thirty days of the date that the Tennessee Regulatory Authority ("TRA") approves this plan.

#### **IV. Carrier Selection Procedures**

Highland Telephone will implement the full Two-PIC ("Primary Interexchange Carrier") carrier selection methodology. With the full two-PIC methodology, customers will be able to subscribe to one telecommunications carrier for interLATA toll calls and subscribe to the same or a different participating telecommunications carrier, for all intraLATA toll calls. Orders for changes will be accepted and processed beginning on the implementation date.

Highland Telephone employees who communicate with the public, accept customer orders, and serve in customer service capacities will be trained to explain to customers the process for making PIC changes for intraLATA toll calls. Business Office personnel and the Customer Account Records system will be prepared to make changes in customer records based upon requests from customers or carriers and direct customers to their chosen intraLATA carriers. Processes will be in place to provide new customers with an opportunity to choose their intraLATA toll carrier from a list of available carriers.

##### ***Existing Customers***

Currently, BellSouth is the only subscribed intraLATA toll provider for existing customers in Highland Telephone's local exchange area. With the implementation of the Plan, customers may subscribe to any telecommunications carrier offering intraLATA toll service in their exchange. A customer must make an affirmative choice with respect to its intraLATA 1+ toll provider. In the absence of this choice, the customer must use a carrier's access code plus the number in order to make an intraLATA toll call.<sup>1</sup> Customers may make this selection through their own initiative or as a result of the promotional marketing activities of participating intraLATA toll telecommunications carriers. Customers may communicate their choice of selected carrier to Highland Telephone directly or through their selected carrier.

Subject to the proposed PIC Charge Waive Period discussed below, customers will be assessed a PIC change charge for changing

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<sup>1</sup> Highland Telephone notes that this aspect of intraLATA toll dialing parity is subject to requests for reconsideration pending before the Federal Communications Commission. See In the Matters of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, et. al, Order, CC Docket No. 96-98, FCC 99-54, released March 23, 1999 at para. 6, n.22. If the FCC revises its rules to allow "default" intraLATA 1+ toll providers, or if the TRA requires this on its own motion, Highland Telephone will, in a manner consistent with the Plan, comply with such requirements at the time the Plan is implemented.

their intraLATA carrier at a rate of \$5.00. When customers request a simultaneous change to the same carrier for their interstate and intrastate service, Highland Telephone will assess one PIC charge.

A charge will be established for unauthorized PIC changes submitted by carriers to Highland Telephone for end-user customers (slamming).

### ***New Installation Customers***

Highland Telephone customer contact representatives will be provided discussion guidelines that will provide a new customer with the following information:

1. Inform the customer that a choice of intraLATA toll providers is now available to him or her.
2. Offer to read the customer a list of available carriers in randomly generated order.
3. Advise the customer that various carriers provide intraLATA toll service.

Customers who do not make a positive choice for an intraLATA toll carrier will be notified that they will not be automatically defaulted to a carrier and will be required to dial an access code to place intraLATA toll calls until they make an affirmative choice for an intraLATA toll carrier.

### ***PIC Charge Waive Period***

Customers will be given a period of ninety (90) days within which to make one change of their preferred carrier at no cost to the customer. This waiver period will begin on August 1, 1999. The costs associated with this waiver will be recovered through the general cost recovery mechanism.

## **V. Customer Education/Notification**

At the time of implementation of the Plan, Highland Telephone will issue a press release announcing the availability of intraLATA 1+ subscription. This press release will announce the opportunity to choose a primary intraLATA carrier and explain the 90 day waiver period for a period of 90 days beginning with the date that the Plan is implemented.

Highland Telephone will notify all existing end users via a direct mailing and a bill message regarding intraLATA subscription implementation and explain their opportunity to select an intraLATA carrier. The wording of the customer notification includes an explanation of the PIC change charge waiver period and

is shown as Exhibit A. Customer telephone directories will be updated as new editions are published to reflect the opportunity for customers to choose an intraLATA toll carrier. After implementation, all new customers will be advised of intraLATA availability and requested to make an intraLATA carrier selection.

## **VI. Carrier Notification**

Current interexchange carriers will be notified of Highland Telephone intraLATA toll dialing parity implementation via Certified U.S. Mail as soon as possible after the Plan's approval by the TRA, with a subsequent notification at the time of implementation. Carriers that currently participate in interlata toll will be assumed to be participants in the intraLATA toll market. Certified carriers who enter the market after implementation will be added to the list of participating carriers within 30 days of notifying Highland Telephone.

## **VII. Operator Services and Directory Assistance**

Access to Operator Services and Directory Assistance will continue to be available through the customer's local exchange carrier or interLATA carrier. No industry standard exists for access to Operator Services and Directory Assistance unique to intraLATA services. For Operator Services, customers dial "0" to reach their local exchange operator and "00" to reach their interLATA operator. For Directory Assistance, customers dial "1-411" for accessing the local exchange Directory Assistance and dial "1-NPA-555-1212" for accessing their interLATA carrier's Directory Assistance.

## **VIII. Cost Recovery**

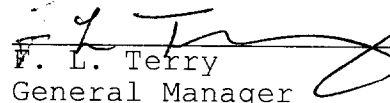
In accordance with 47 C.F.R Section 51.215, adopted in the FCC's Second Report and Order and Memorandum Opinion and Order in CC Docket No. 96-98, cost recovery for the incremental cost of dialing parity; specific switch software, and necessary hardware and signaling system upgrades, and customer education costs that are specifically to implement dialing parity, will be implemented in a competitively neutral manner across all providers of telephone toll service in the area served by Highland Telephone. Incremental costs will be recovered from all carriers through a rate element based upon originating intrastate switched access minutes of use ("MOUs") during the 4 year cost recovery period. Attached, as Exhibit B, is a detailed explanation of the Cost Recovery methodology. An annual true-up will be conducted and reported to the TRA.

## **IX. Statement of Compliance**

Highland Telephone will comply with all rules of the FCC and the TRA.

1999

Executed as of the 21<sup>st</sup> Day of April,

  
F. L. Terry  
General Manager  
7810 Morgan County Hwy  
P. O. Box 119  
Sunbright, TN 37872  
Phone: 423-628-2121



## **Exhibit A**

### **BILL MESSAGE**

"Highland Telephone implemented local toll 1+ subscription service on August 1, 1999. You are now able to choose a local toll provider. Your current carrier will continue to provide this service for you or you may select another carrier. You may select the same provider as your interstate long distance service provider or you may select a different provider for each service. Your first selection prior to October 31, 1999 will be free."

### **DIRECT MAILING**

#### IMPORTANT NOTICE ABOUT LOCAL TOLL SERVICE

"As of August 1, 1999, you are able to choose your provider of "1+" local toll service. This change allows you to remain with your current carrier or select a different long distance carrier for local toll calls. Please refer to the information pages in the front of your Highland Telephone telephone directory under "Long Distance Service" for a description of toll calling areas.

If you would like to select a different carrier for your "1+" local toll service, you should contact that company. No action is necessary to keep current your provider for these local toll calls.

From August 1, 1999 until October 31, 1999 you will be able to change your local toll carrier one time without charge. There may be a charge for each subsequent change you make in local toll companies."

Exhibit B

TENNESSEE  
METHODOLOGY FOR RECOVERY OF COSTS  
ASSOCIATED WITH  
IMPLEMENTATION OF INTRALATA SUBSCRIPTION

CALCULATION OF INITIAL EQUAL ACCESS RATE ELEMENT

Step 1: Identify the estimated total incremental costs directly attributable to the provisioning of IntraLATA Subscription.

\$ 29,507.00

Step 2: Identify estimated total Intrastate/IntraLATA minutes of use for the 4 year recovery period.

73,418,816

Step 3: Calculate a cost recovery rate by dividing amount in Step 1 by the Minutes of Use in Step 2.

\$0.00040

ANNUAL TRUE-UP OF EQUAL ACCESS RATE ELEMENT

Repeat Steps 1 through 3 and calculate an updated access rate element by dividing amount in Step 1, adjusted by the previous year/years cost recovery.

**Exhibit B**

**TENNESSEE  
METHODOLOGY FOR RECOVERY OF COSTS  
ASSOCIATED WITH  
IMPLEMENTATION OF INTRALATA SUBSCRIPTION**

CALCULATION OF INITIAL EQUAL ACCESS RATE ELEMENT

Step 1: Identify the estimated total incremental costs directly attributable to the provisioning of IntraLATA Subscription.

\$ 29,507.00

Step 2: Identify estimated total Intrastate/IntraLATA minutes of use for the 4 year recovery period.

73,418,816

Step 3: Calculate a cost recovery rate by dividing amount in Step 1 by the Minutes of Use in Step 2.

\$0.00040

ANNUAL TRUE-UP OF EQUAL ACCESS RATE ELEMENT

Repeat Steps 1 through 3 and calculate an updated access rate element by dividing amount in Step 1, adjusted by the previous year/years cost recovery.